

Chapter Three

Prior Approval

Introduction The information in this chapter addresses the prior approval process for nursing facility care.

In This Chapter This chapter contains:

Topic	See Page
General Information	3-1
Definitions for Frequently Used Abbreviations and Symbols	3-1
Prior Approval Process	3-2
Attachments	
Attachment A: FL2 Form	3-7

General Information

Overview Medicaid covers nursing facility placement when an individual meets both financial and medical eligibility requirements. The county department of social services (DSS) determines financial eligibility and Medicaid's fiscal agent determines medical eligibility. Prior approval does not guarantee financial eligibility or Medicaid payment.

The **FL2** form/electronic **FL2e** are used to document the conditions and care requirements for determining the appropriate level of care (LOC) (i.e., nursing facility, adult care home).

Refer to *Chapter Four, Level of Care Information*, for detailed information on the criteria used to determine the recipient's need for nursing facility placement.

Definitions for Frequently Used Abbreviations and Symbols

Abbreviations and Acronyms **NF:** Nursing Facility: Provides 24-hour nursing care with a licensed nurse on duty at all times. Minimum requirement for admission is the need for at least eight (8) hours of nursing care per day by a licensed nurse with the remaining time and services provided by experienced staff under the direction of a licensed nurse, according to a plan of care developed by a physician and a care planning team.

ACH: Adult Care Home: Provides residential care, 24-hour supervision, personal care, and administration of medications, as directed by a physician.

HH: Home Health: Services may be provided in an adult care home or a recipient's home when prescribed by a physician.

CAP: Community Alternatives Program: Provides an alternative to institutional placement through community living if non-institutional community services are feasible and preferred by the recipient.

Continued on next page

Definitions for Frequently Used Abbreviations and Symbols, continued

Ambulation Levels

Ambulatory: A fully mobile resident who does not need the continuing help of an appliance, wheel chair, staff member, etc. to move about.

Semi-ambulatory: A resident who needs the assistance of one or more of the following: wheel chair, walker, crutches, cane, etc., or a staff member to aid in ambulation.

Nonambulatory: A resident who is one who is bedfast. A bedfast resident, however, with the assistance of a facility staff, may use the bathroom or be able to sit up occasionally (i.e., in a chair one to two hours at a time during the day).

Symbols

h°:	hour or hours	Δ:	change
PRN:	as needed	IM:	intramuscular
QID:	four times a day	SQ:	subcutaneous
TID:	three times a day	PO:	by mouth
BID:	two time a day	gtts:	drops
AC:	before meals	NPO:	nothing by mouth
PC:	after meals	c̄:	with
Ī :	one I	̄s:	without
Ī Ī :	two II	HS:	bedtime, hour of sleep

Prior Approval Process

Requesting Prior Approval

Prior approval requests for nursing facility LOC can be initiated via:

- the paper FL2 by telephone and then submitted by mail
- the paper FL2 submitted by mail only
- the FL2e submitted electronically through the identified web access

Records may also be sent to justify the LOC.

The FL2 must be current with a physician signature dated within thirty (30) calendar days of receipt by Medicaid's fiscal agent.

If approval is requested by telephone, the person calling must be an administrator, social worker, registered nurse (RN), licensed practical nurse (LPN), or a case manager/worker. If the nursing facility designates other staff to phone in requests, the administrator or director of nursing must submit the request in writing to Medicaid's fiscal agent with their qualifications and title indicated on the request. To preclude problems in telephone approvals, information should be read directly from the FL2.

The attending physician must always **sign** and **date** the form **prior to** submitting the approval request.

The completed three-part original FL2 **must** be forwarded and received by Medicaid's fiscal agent within 10 working days of the review decision.

Note: A level one PASARR screening must be performed before anyone, regardless of pay source, can be admitted to any Medicaid-certified nursing facility.

Continued on next page

Prior Approval Process, continued

Processing Steps for a Paper FL2

The following procedure is used to process the paper FL2 for prior approval:

1. The paper FL2 must be accurately completed, **signed and dated by the attending physician**, and a PASARR number must be obtained before it can be called or mailed in for prior approval. After the FL2 is called in, the **entire FL2 (3 carbon copies)** must then be mailed to the fiscal agent's Long Term Care Prior Approval Unit for a decision as to the appropriate LOC.
2. The fiscal agent's nurse analyst, following the N.C. Medicaid LOC criteria, reviews the FL2.
3. If the documentation on the FL2 supports the nursing facility LOC, the FL2 is stamped "Approved." The fiscal agent assigns a service review number (SRN), which is written on the FL2 along with the date approved. The white copy of the FL2 is retained by Medicaid's fiscal agent for keying and claim processing. The pink and blue copies are forwarded to the recipient's county DSS. The county DSS retains the blue copy and forwards the pink copy to the receiving facility.
4. If the nursing facility LOC is not evident upon the nurse analyst's review of the FL2, all three copies will be returned to the either the nursing facility (if the nursing facility's full name and address is on the FL2) or the appropriate county DSS with a letter indicating the need for additional information. The FL2 may be resubmitted with additional information/medical records for reevaluation.

Note: The fiscal agent will re-evaluate the additional information if it is received within 30 days of the original date of receipt by the fiscal agent.

5. If the FL2/medical records do not meet the nursing facility LOC criteria, they are forwarded to Medicaid's fiscal agent's medical director to review. If the medical director agrees that the FL2/medical records do not meet the nursing facility LOC criteria, the adult care home LOC is entered as a recommendation. The white copy of the FL2 is retained by Medicaid's fiscal agent for keying and claim processing. The pink and blue copies are forwarded to the recipient's county DSS along with a denial letter and an appeal form. Upon receipt, the county DSS gives the letter and appeal form to the recipient/responsible party and enters the deadline date (11 days from the date the letter and appeal form were given to the recipient/responsible party).

Processing Steps for an Electronic FL2e

The following procedure is used to process the electronic FL2 (FL2e) for prior approval:

1. The FL2e must be accurately completed, **signed and dated by the attending physician**, and a PASARR number must be obtained before submission for prior approval. The FL2e is then submitted via the identified web access to the fiscal agent's Long Term Care Prior Approval Unit for a decision as to the appropriate LOC.
2. The fiscal agent's nurse analyst, following the N.C. Medicaid LOC criteria, reviews the FL2e.

Continued on next page

Prior Approval Process, continued

Processing Steps for an Electronic FL2e (continued)

3. If the documentation on the FL2e supports the nursing facility LOC, Medicaid's fiscal agent assigns an SRN. The FL2e along with a cover sheet indicating the approval are faxed to the initiator of the prior approval request (hospital, nursing facility, recipient's county DSS) and the county DSS office, the same day it is approved. The county DSS will fax the FL2e and cover sheet to the receiving facility.
4. If the nursing facility LOC is not evident upon the nurse analyst's review of the FL2e, the FL2e is returned to the sender with an email indicating the need for additional information.

Note: The fiscal agent will re-evaluate the additional information if it is received within 30 days of the original date of receipt by the fiscal agent.

If the additional information supports the nursing facility LOC, the fiscal agent assigns an SRN. If the additional information does not support the nursing facility LOC, a copy of the FL2e with medical records may be submitted to the fiscal agent by mail for re-evaluation.

5. If the FL2e/medical records do not meet the nursing facility LOC criteria, they are forwarded to the fiscal agent's medical director to review. If the medical director agrees that the records do not meet the nursing facility LOC criteria, the adult care home LOC is recommended. The FL2e along with a cover sheet indicating the ACH recommendation and an appeal form are sent to the recipient's county DSS the same day the decision is made. Upon receipt, the DSS office notifies the recipient/responsible party of the denial and appeal rights and enters the deadline date form is given to the recipient/responsible party). The county DSS faxes the FL2e and cover sheet to the receiving facility.

Physician Signature

Prior approval request forms require a valid physician signature and date. The fiscal agent will accept these forms with corrected dates if the physician who makes the error draws a single line through the incorrect date, writes the correct date above or next to the incorrect date, and initials the correction. Family nurse practitioners (FNPs), physicians assistants (PAs), and surgical assistants (SAs) may sign the FL2 only if co-signed and dated by the attending physician. **The corrected signature/date is not for the purpose of updating an expired FL2.**

Example of Altered Physician Signature Date

Acceptable :	<i>S. Jones MD</i>	7/22/05	<i>SJ</i> 7/23/05
Not Acceptable:	<i>S. Jones MD</i>	3/28/05	<i>SJ</i> 7/28/05

Continued on next page

Prior Approval Process, continued

Situations Requiring Nursing Facility Prior Approval

Nursing facility prior approval is required for:

1. All new Medicaid admissions to a nursing facility.
 2. Private payers or third party insured residents who seek Medicaid assistance and currently reside in a nursing facility.
 3. A resident discharged home or to an adult care home and later returns to the nursing facility.
 4. Ventilator LOC.
 5. Therapeutic leave in excess of fifteen (15) consecutive days.
 6. Out-of-state placement to the nursing facility LOC.
 7. CAP/DA LOC.
-

Situations Not Requiring Prior Approval

The following situations do not require nursing facility prior approval:

1. A resident, approved for nursing facility LOC, who is hospitalized and returns to the nursing facility at the same LOC.
 2. A resident who is transferred from one nursing facility to another at the same LOC.
 3. A resident who is admitted to an acute care hospital.
 4. A resident who goes on therapeutic leave fifteen (15) days or less.
 5. A recipient's Medicaid eligibility lapses for no more than 90 days and the LOC remains the same.
-

Retroactive Prior Approval

It is the responsibility of the nursing facility to ensure that the initial FL2 request for prior approval is on file with the fiscal agent when a recipient is admitted to their facility.

Requests for retroactive approval for nursing facility services may be approved when the initial FL2 authorization is requested. The fiscal agent may only approve up to 30 days of retroactive coverage by telephone. Retroactive coverage exceeding 30 days, but less than 90 days, must be made in writing and include all pertinent medical records for the dates of service requested. Submit a completed FL2, copies of nursing notes, physician progress notes, and any other pertinent information that justifies the nursing facility LOC. The medical records submitted **must** date back to the requested date for retroactive coverage. A cover letter must be attached requesting retroactive coverage indicating the "from" and "to" dates along with a contact person's name and telephone number. The fiscal agent will only review retroactive requests back to 180 days where eligibility is an issue.

Continued on next page

Prior Approval Process, continued

**Ventilator
Prior
Approvals**

For ventilator prior approval, the recipient must be dependent upon mechanical ventilation at least 16 hours per day and in stable condition without infections or extreme changes in ventilator settings and/or duration (e.g., increase in respiratory rate of five breaths per minute, increase in FIO₂ of 25% or more and/or increase in tidal volume of 200 milliliters or more).

To request prior approval for ventilator services, an FL2 form with a PASARR number, current physician signature and date, and the provider number of the facility that is or will be rendering ventilator services must be submitted. Medical records and a ventilator addendum form must also be submitted to support the LOC request. The addendum must be signed and dated by the physician within 45 days of the authorization for ventilator LOC. The FL2 and addendum must be forwarded to the fiscal agent's prior approval unit for review based on the N.C. Medicaid LOC criteria for ventilator care.

When the recipient transfers from the hospital to a nursing facility or to a different nursing facility, the facility must notify the fiscal agent's prior approval unit of the transfer. If the fiscal agent is not notified within 30 days of the transfer, a new prior approval is required. If the recipient is in the hospital and placement has yet to be determined, the hospital's provider number must be entered on the authorization request.

Sample of the FL2 Form

FL-2 (86)		NORTH CAROLINA MEDICAID PROGRAM LONG TERM CARE SERVICES			
INSTRUCTIONS ON REVERSE SIDE					
<input type="checkbox"/> PRIOR APPROVAL		<input type="checkbox"/> UTILIZATION REVIEW		<input type="checkbox"/> ON-SITE REVIEW	
IDENTIFICATION					
1. PATIENT'S LAST NAME		2. BIRTHDATE (M/D/Y)		4. ADMISSION DATE (CURRENT LOCATION)	
5. COUNTY AND MEDICAID NUMBER		6. FACILITY		7. PROVIDER NUMBER	
8. ATTENDING PHYSICIAN NAME AND ADDRESS			9. RELATIVE NAME AND ADDRESS		
10. CURRENT LEVEL OF CARE		11. RECOMMENDED LEVEL OF CARE		12. PRIOR APPROVAL NUMBER	
_____ HOME _____ DOMICILIARY _____ SNF _____ (REST HOME) _____ ICF _____ OTHER _____ HOSPITAL _____		_____ HOME _____ DOMICILIARY _____ SNF _____ (REST HOME) _____ ICF _____ OTHER		14. DISCHARGE PLAN	
				_____ SNF _____ HOME _____ ICF _____ _____ DOMICILIARY (REST HOME) _____ OTHER _____	
				13. DATE APPROVED / DENIED	
15. ADMITTING DIAGNOSES, PRIMARY SECONDARY, DATES OF ONSET					
1.		5.			
2.		6.			
3.		7.			
4.		8.			
16. PATIENT INFORMATION					
DISORIENTED		AMBULATORY STATUS		BLADDER	
CONSTANTLY		AMBULATORY		CONTINENT	
INTERMITTENTLY		SEMI-AMBULATORY		INCONTINENT	
INAPPROPRIATE BEHAVIOR		NON-AMBULATORY		INDWELLING CATHETER	
WANDERER		FUNCTIONAL LIMITATIONS		EXTERNAL CATHETER	
VERBALLY ABUSIVE		SIGHT		COMMUNICATION NEEDS	
INJURIOUS TO SELF		HEARING		VERBAL	
INJURIOUS TO OTHERS		SPEECH		OTHER	
INJURIOUS TO PROPERTY		CONTRACTURES		DT CATHETER	
OTHER:		ACTIVITIES SOCIAL		NUTRITION STATUS	
PERSONAL CARE ASSISTANCE		PASSIVE		DIET	
BATHING		ACTIVE		SUPPLEMENTAL	
FEEDING		GROUP PARTICIPATION		SPOON	
DRESSING		RE-SOCIALIZATION		PARENTERAL	
TOTAL CARE		FAMILY SUPPORT		NASOGASTRIC	
PHYSICIAN VISITS		NEUROLOGICAL		GASTROSTOMY	
30 DAYS		CONVULSIONS		INTAKE AND OUTPUT	
60 DAYS		GRAND MAL		FORCE FLUIDS	
OVER 180 DAYS		PETIT		WEIGHT	
				HEIGHT	
17. SPECIAL CARE FACTORS		SPECIAL CARE FACTORS		FREQUENCY	
BLOOD PRESSURE		BOWEL AND BLADDER PROGRAM			
DIABETIC URINE TESTING		RESTORATIVE FEEDING PROGRAM			
PT (BY LICENSED PT)		SPEECH THERAPY			
RANGE OF MOTION EXERCISE		RESTRAINTS			
18. MEDICATIONS NAME & STRENGTHS, DOSAGE & ROUTE					
1.		7.			
2.		8.			
3.		9.			
4.		10.			
5.		11.			
6.		12.			
19. X-RAY AND LABORATORY FINDINGS / DATE:					
20. ADDITIONAL INFORMATION:					
21. PHYSICIAN'S SIGNATURE				22. DATE	
3/72-124 (12-92) EDS - DMA COPY					